

Budget shows a future-ready Bharat: Goyal

Q&A The government has announced a one-time relief for special economic zone (SEZ) units, allowing limited domestic sales to absorb excess capacity from them, while ensuring units in the domestic area are protected, Commerce and Industry Minister **Piyush Goyal** told Shreya Nandi in a post-Budget interaction. Edited excerpts:

What's the rationale behind the changes in Customs duty?

■ This is a Budget that shows a future-ready Bharat, and carries forward the reforms that the Prime Minister initiated on August 15 last year. Almost 350 reform measures have already been taken, and the "Reform Express" powers on the various initiatives of this Budget. For the first time, it covers so many areas, and even minor areas have been brought to focus. It gives a boost to manufacturing. The Budget further gives a boost with the setting up of three chemical zones... It also gives fillip to the textile sector with five new textile parks, promoting man-made textile, which is almost two-thirds of global trade. It gives a ₹10,000 crore boost to container manufacturing. Electronics components budget is doubled from ₹20,000 crore to ₹40,000 crore. Micro, small, and medium enterprises (MSMEs) have been provided ₹10,000 crore. This is a Budget of opportunities.

Could you tell us about the one-time measure for SEZs?

■ Existing units in SEZs will be allowed to sell a certain proportion of their production (in the domestic market). Predominance will continue to be for exports in the domestic tariff area (DTA), with a debate on the duty that they have to pay, so that it can replace some of the imports that come in from abroad and provide opportunity for excess capacities in India to service the domestic market. We will also keep in mind that domestic manufacturers should not suffer, so that there is an equalisation of benefits. The limit will be determined sectorally by the finance ministry.

What's the eligibility?

■ Broadly, it will be the existing units, but we may keep some sectors out of it. For example, oil, petrol and diesel, or refineries may not be included for domestic sales.

Do we need any changes in the law, or will a notification be enough to implement this?

■ We will implement that method, no matter what it takes. Some of it could be done by rule-making. Some of it could be through legal changes.

Going forward, do we see this step as a push for the SEZ Amendment Bill?

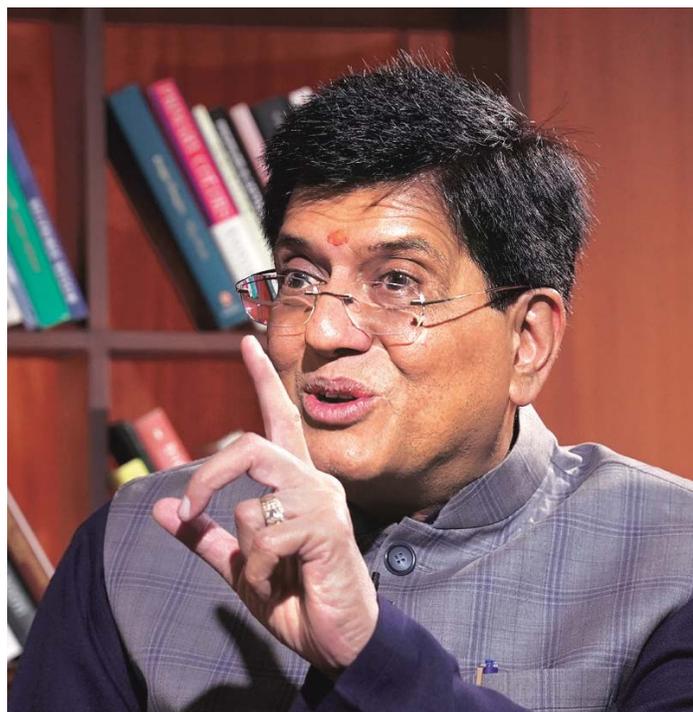
■ Well, it's too early to jump the gun. Today, we are celebrating an excellent Budget.

Do you think the Budget can help labour-intensive sectors such as marine, textiles, and leather navigate the turbulent global trade architecture at the moment?

■ Well, India continues to do well despite the turbulence in global trade. This will help us to do even better. This Budget provides huge opportunities to look at growth in these labour-intensive sectors, also in the services and technology sectors.

A lot of focus is on reskilling to prepare our youths for technologies of tomorrow. Also, sports and education have not been left out, and defence has been given significant power. Infrastructure spending — once again, a 10 per cent growth — at ₹1.12 trillion, and the multiplier impact of that will give a boost to India's growth story.

Would you like to quantify the export boost for these labour-intensive sectors?



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■ Boost will come when people will exploit the opportunity, but I have no doubt in my mind that our business and industry is ready. Our business and industry is also very excited with all the free trade agreements (FTAs) that we have entered into, which will open up a plethora of opportunities in the developed world. My sense is that we are moving rapidly towards the \$2 trillion export target. Of course, we lost two, two and a half years due to Covid, so maybe by 2032-33, we can aspire to have a trillion dollars of merchandise and another trillion dollars of services exports, given all the various measures in this Budget.

In view of the Customs duty reduction announced in the Budget, do we need to have any

anti-dumping duty measures in place to ensure that the domestic market is not impacted?

■ It will depend on case to case. If there is dumping or there is a surge in imports at prices below cost, then an anti-dumping duty application can be considered. It goes through a quasi-judicial process. If it is justified, we will take appropriate measures. Our effort in reducing Customs duty is more to promote availability of raw material and intermediate goods at affordable prices, both for domestic consumers to benefit and to promote our export of finished products.

Can we expect a scheme for leather and footwear soon?

■ We are examining the possibility of supporting the leather and footwear sector.